

EXHIBIT 2

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1 right now, yours is still one that we'd like to do, but
2 it's challenging. We just need to find a way to work
3 together on how we can get this thing financed.

4 That was -- that's the gist. I think I
5 just sat and listened more than anything. And we
6 talked about, you know, what happens if you just can't
7 get financing, you know. I didn't want to keep
8 spending a lot of time and effort and money on teaming
9 with JLB if they just aren't able to find the financing
10 out there. And Gary reiterated that he didn't think
11 that was the case. He thinks there is a way that we
12 could probably find this. But they wouldn't drag it
13 on. They would probably stop it and call it a day.

14 BY MR. PRISBE:

15 Q I understand you say you listened -- in
16 your mind, you listened a lot. What did you say, if
17 anything?

18 A I was shocked. I just didn't see it
19 coming. Part of it is right up to that, Gary's been
20 pretty clear about this is a great project for him and
21 his team, as well as JLB. We were really moving the

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1 design process along. There was a lot of pressure for
2 everybody to make sure that we got the construction
3 drawings in by the July 1st date, which triggered a
4 lead certified building requirement. That there just
5 seemed to be no indications at all that at the end of
6 the day, with -- even with, you know, the credit
7 markets the way they were, I always just got the
8 impression that this was one project that JLB would
9 certainly want to continue working on, even if they let
10 other projects go.

11 Q And you said the way the credit markets
12 were. What do you mean by that?

13 A It just became more challenging for --
14 banks weren't really lending. If they were, you know,
15 they were coming up with 40 percent equity in some
16 cases. The challenges were starting to become clearer
17 and louder as you witnessed other projects out there
18 unable to get financing.

19 Q In fact, by December of 2008, was the
20 financial meltdown, the stimulus package, correct?

21 A Yes.

1 Q What did you discuss about renegotiation?

2 A I was shocked, numb. I told Gary, let me
3 think about, you know, some ideas. I remember asking
4 him, you know, what are some of the things you're
5 thinking, and Gary mentioned to me that on his drive up
6 to Baltimore that morning, that he was thinking of --
7 an easy solution would be just to split it in half and
8 do it in two phases, as opposed to one project. And he
9 asked me how did I feel about that.

10 I told him, you know, let me just digest
11 all of this. I feel like I got hit with a frying pan.
12 It was just shocking. And that we were going to get
13 through the holidays, the next day was New Year's Eve,
14 and that we would circle back and take the next four
15 days or so to try to figure out what makes sense for
16 us -- what makes sense for us, being Tina and myself,
17 what makes sense for us as being a team with JLB, and
18 then what makes sense for JLB. So I just wanted to
19 kind of clear -- bring all of my thoughts together on
20 it, so --

21 Q What, if any, discussion did you have about

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1 them pulling out in the future if financing didn't work
2 out?

3 A Well, with Gary, you know, he always talked
4 about how this was -- and I hate to keep saying it, but
5 if it was the last project that JLB wanted to do, that
6 this was going to be it. I don't know the depth of all
7 of the other projects. I can't really express whether
8 I think my project was any better than some of the
9 other ones out there, but it was always that common
10 element that Gary always portrayed, that was the top of
11 their list.

12 And Gary's thought when we had this
13 conversation is that we're going to find some closure
14 on this. The credit market is down, but I remember him
15 mentioning that Jim Bosner is comfortable with the
16 40 percent. That's where the markets are. I remember
17 we had this conversation about -- you know, in the
18 fall, you were hearing people putting up 30 percent
19 equity. By the end of the year, they were 40 percent
20 equity.

21 Gary mentioned that Jim Bosner was

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1 comfortable and was committed to that and promised that
2 to Gary, so that what we needed to do was work on
3 finding a bank that would lend, you know, the
4 construction financing, the debt required, and that
5 was, you know, what we needed to do was figure out how
6 can we get a bank to lend 30 million plus dollars, that
7 banks -- at that point, banks were just closing the
8 doors.

9 So I never really felt like it was
10 collapsing. I always just felt like the deal's going
11 to happen. We're just going to have to restructure.

12 Q My question -- and I appreciate that, but
13 my question was a little bit different. You
14 articulated that in this December 30 conversation, that
15 you estimated to be an hour, maybe somewhat less. I
16 wrote down that you said there was an explanation that
17 if the financing wasn't coming, JLB probably would pull
18 out.

19 A Yes.

20 Q And I'm trying find out what specific
21 discussion occurred about that, JLB pulling out.

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1 Q What, if any, discussion was there about
2 the earnest money and returning the earnest money to
3 JLB?

4 A He just mentioned to me that, again, when
5 he responded to my knee jerk reaction, he just
6 responded that if they terminated, that obviously they
7 would want their deposit back.

8 Q Anything else about earnest money?

9 A I have -- I can't recall if I responded to
10 that comment or not. If I did, I probably would have
11 told him that I didn't think that JLB was entitled to
12 it back. But again, the direction of this meeting was
13 all about let's keep a positive outlook, let's move
14 forward, we're going to figure out a way. That's the
15 gist of that meeting.

16 Q Did you tell him that you would fight JLB
17 about the earnest money?

18 A Again, I can't recall specifically in that
19 meeting. I know that at some time, from that point
20 moving forward, that a conversation came up, and it may
21 have been on the December 30th meeting, where the

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1 A I think Gary was responding like a knee
2 jerk reaction when he told me that they just weren't
3 going to be finance this in its entirety, the market is
4 not there. And I think my response was, you know,
5 well, that's what we agreed to.

6 And he's like, look, if that's what you
7 need, if that's what's going to happen, that you're --
8 this deal is all or none in terms of phasing, then JLB
9 may end up, you know, wanting to terminate this, but
10 they're just not going to be able to finance it in its
11 entirety.

12 Q Anything else that you remember about that
13 topic on that conversation of December 30th?

14 A Again, it would -- Gary was very -- kind of
15 somewhat somber relaying the information, but at the
16 same time, I think he also was very encouraged by the
17 fact that we have taken this project so far. We've
18 made such great strides and he and I have such a good
19 working relationship, that he was just confident that
20 we were going to be able to figure out a way to have
21 this project work and move forward.

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1 earnest money, that JLB would be requesting it back if
2 they terminate the agreement. I probably would have
3 said that I don't think they'd be entitled to it and
4 that's something that we would have to fight over.

5 Q Could you have said that Mr. Plichta will
6 say you said probably at least three times during that
7 conversation that you would fight JLB over on the
8 earnest money?

9 A On that December 30th?

10 MR. HOFF: Objection.

11 BY MR. PRISBE:

12 Q Yes, sir.

13 MR. HOFF: Foundation.

14 BY MR. PRISBE:

15 Q Would that be accurate?

16 A It could be. Again, that wasn't the gist
17 of the meeting.

18 MR. HOFF: Same objection.

19 BY MR. PRISBE:

20 Q Did you have any discussion that you viewed
21 the deposit as being hard?